

## MEMORANDUM

DATE: March 30, 2007

TO: Ms. Sharon L. Summers, DMMA  
Policy and Program Development Unit

FROM: Daniese McMullin-Powell, Chairperson  
State Council for Persons with Disabilities

RE: 10 DE Reg. 1373 [Proposed Home Equity Medicaid Disqualification Regulation]

The State Council for Persons with Disabilities (SCPD) has reviewed the Department of Health and Social Services/Division of Medicaid and Medical Assistance's (DMMA) proposal to adopt a restriction on Medicaid eligibility for long-term care based on the Deficit Reduction Act (DRA). The regulation was published as 10 DE Reg. 1373 in the March 1, 2007 issue of the Register of Regulations. The DRA disallows Medicaid LTC eligibility if the applicant has either: 1) \$500,000 in home equity or 2) at a state's option, some amount between \$500,000 and \$750,000. This limit does not apply if the applicant has certain relatives living in the home, i.e., spouse, child under 21, or "adult disabled child". The limit would increase incrementally beginning in 2011 based on the Consumer Price Index (CPI).

Consistent with the attachments, Pennsylvania has adopted the \$500,000 standard. New York and Maine have adopted a \$750,000 limit. The President's proposed FY 08 budget recommends elimination of all state discretion in favor of imposing the \$500,000 standard nationwide.

SCPD recommends that Delaware follow the lead of New York and Maine in adopting a higher cap. Political compromises on the federal budget are commonplace and it is possible that states adopting a higher cap could have limits "grandfathered". While the \$500,000 cap may appear reasonable to some policymakers today, \$500,000 in home equity (even considering incremental increases based on the CPI) may not amount to much in the future (e.g. 10 years from now). Adopting a higher cap now may protect Delaware's prospective flexibility and discretion.

Thank you for your consideration and please contact SCPD if you have any questions or comments regarding our observations or recommendation on the proposed regulation.

cc: Mr. Harry Hill  
Governor's Advisory Council for Exceptional Citizens  
Developmental Disabilities Council